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Fifty-eighth session
Item 120 of the provisional agenda*
Financial reports and audited financial statements, and reports of the Board of Auditors

Progress report of the Board of Auditors on the capital master plan

Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly, pursuant to Assembly resolution 57/292 of 20 December 2002, a progress report of the Board of Auditors on the capital master plan.

* A/58/150.

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Letters of transmittal

Letter dated 28 August 2003 from the Chairman of the Board of Auditors to the Secretary-General

I have the honour to transmit to you the following documents:

(a) The progress report of the Board of Auditors on the capital master plan, in accordance with General Assembly resolution 57/292 of 20 December 2002; and

(b) The letter of transmittal to the President of the General Assembly.

(*Signed*) François **Logerot**
First President of the Court of Accounts of France and
Chairman, United Nations Board of Auditors

Letter dated 28 August 2003 from the Chairman of the Board of Auditors to the President of the General Assembly

I have the honour to transmit to you the progress report of the Board of Auditors on the capital master plan, in accordance with General Assembly resolution 57/292 of 20 December 2002.

(*Signed*) François **Logerot**
First President of the Court of Accounts of France and
Chairman, United Nations Board of Auditors

Progress report of the Board of Auditors on the capital master plan

I. Introduction

1. The General Assembly, in its resolution 57/292 of 20 December 2002, requested the Board of Auditors and all other relevant oversight bodies to initiate immediate oversight activities and to report annually thereon to the General Assembly.

II. Scope of the audit

2. The audit of the capital master plan project will be conducted in accordance with article VII of the Financial Regulations and Rules of the United Nations and the annex thereto (ST/SGB/2003/7) and with the common auditing standards adopted by the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency. Accordingly, the Board has decided on the following broad audit objectives:

- To examine capital master plan financial statements, including an evaluation of project accounting, payment and reporting systems
- To ascertain compliance with United Nations regulations and rules on procurement and contracting
- To determine adherence to the terms of the contract, such as deliverables, time and material provisions
- To review the controls, including internal audit, and processes established to properly manage the project

3. The Board will now confirm with the Administration the scope of the audit.

III. Reporting

4. The activities and actual expenditures related to the capital master plan are limited at the present time. Therefore, the first audit of the financial statements will cover the biennium ended 31 December 2003. The Board's first report on the capital master plan project will accordingly be transmitted to the General Assembly in time for consideration at the fifty-ninth session.

IV. Acknowledgement

5. The Board of Auditors wishes to express its appreciation for the cooperation and assistance extended by the Secretary-General, the Under-Secretary-General for Management, the Executive Director of the capital master plan and members of their staffs.

(*Signed*) François **Logerot**
First President of the Court of Accounts, France

(*Signed*) Guillermo N. **Carague**
Chairman, Philippine Commission on Audit

(*Signed*) Shauket A. **Fakie**
Auditor-General, Republic of South Africa

Note: The members of the Board of Auditors have signed only the original English version of the report.